Electronically Recorded

Tarrant County Texas

Official Public Records

3/9/2011 11:53 AM

D211056394

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acces Pooling Provision

PNum:28730.RDB

PAID-UP OIL & GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT IS made this 17th day of January, 2011, by and between Viliami Cocker and Mele L. Cocker, whose address is 917 East Fishcreek Road, Grand Prairie, Texas 75052, as Lessor, and Chesapeake Exploration, L.L.C., an Oklahoma limited liability company, P.O. Box 18496, Oklahoma City, OK 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

in consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

A-7, G. J. Ashabranner Survey: Rollie Estates Addition
0.301 acres, more or less, situated in the G. J. Ashabranner Survey, Abstract No. 7, Tarrant County, Texas, known as Lots 12 & 13, Block 3, Rollie Estates, an
Addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat recorded in Volume 388-10, Page 27, Plat Records, Tarrant County, Texas, as
described in that certain Warranty Deed dated September 12, 2003, from EDDIE DUKES and BELINDA DUKES, to VILIAMI COCKER and MELE L. COCKER, recorded
in Instrument No. D203352531, Official Public Records, Tarrant County, Texas.

in the County of <u>Tarrant</u>, State of TEXAS, containing <u>0.3010</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term 'gas' as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are configuous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of THREE (3) years from the date hereof, and for thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is
- This lease, which is a pad-up lease requiring no retraits, shall be in located and primary term of Trince: (3) years into the table through the rest of the provisions hereof.

 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be Twenty-Percent (20%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for gas (including cashighead gas) and all other substances covered hereby, the royalty shall be Twenty-Percent (20%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchases contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either or producting of the substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stim
- 4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor's credit in at Lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fall or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.
- 5. Except as provided for in Paragraph 3 above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently casess from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it flessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prodent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no coverant to drill exploratory wells or any additional wells except as expressly provided herein. Except as provided for in Paragraph 3 above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the
- drainage by any well or wells located on other lands not pooled therewith. There shall be no coverant to drill exploratory wells or any additional wells except as expressly provided herein.

 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in or order to productly develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 540 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 540 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 540 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 540 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 540 acres plus a maximum acreage tolerance of 10%, and for a gas well on a horizontal completion shall not exceed 540 acres plus a maximum acreage tolerance of 10%, and for a gas well on a same shall plus and same shall plus s
- date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises bears to the full mineral estate in such part of the leased premises or Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee until 60 days after Lessee has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shuf-in royalties hereunder, Lessee may pay or tender such shuf-in royalties to such persons or to their credit in the depository, either jointly or separative preparation or to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferre to satisfy such obligations with respect to the transferred interest

- Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lesse or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so releases. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shuthir repatities shall be proportionalisty reduced in accordance with the net accreage interest relationed hereunder.

 10. In exploding for, developing, producing and marketing oil, gas and other substances covered hereby the remainder recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, picellines, treat and/or transport production. Lessee may use in such operations, the offices, and in the relative shell apply to Lessee to discover, producing or marketing from the lessed premises or lands produced on the lessed premises, except water from Lessor's veltor opposis. In exploring, developing, producing or marketing from the lessed premises or lands produced therewith. When requested by Lesser having a suthforty to grant such rights in the vicinity of the lessed premises or ands product therewith. When requested by Lesser having a suthforty to grant such rights in the vicinity of the lessed premises or and pooled therewith. When requested by Lesser in writing to my this production or other partial termination of this lesse; and (b) to synchronize the provided premises or such other lends, and to commercial timber and growing corpositement. Lesses shall have the right at any house or barn now on the lessed premises or other lands used by Lessee hereunder, without Lessor's consent, and Lesse

- reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.
- 17. Leason, and their successors and essigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of TWO (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this
 - 18. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lesse is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

Villami Cocker

ACKNOWLEDGEMENT

STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on the Notary Public, State of Texas MAIT BEARD y Public, State of Texas Commission Expires August 19, 2012 Notary's name (printed): Notary's commission expires: STATE OF COUNTY OF TARRANT day of January This instrument was acknowledged before me on the Mele L. Cocker Notary Public, State of Texas Notary's name (printed): Notary's commission expires: MATT BEARD otary Public, State of Text My Commission Expires August 19, 2012 of Texas